



San Diego City Attorney **MICHAEL J. AGUIRRE**

NEWS RELEASE

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SAN DIEGO MAYOR MUST LEVEL WITH CITY TAXPAYERS ON FULL SCOPE OF PENSION FUND LOSSES

San Diego, CA— Taxpaying citizens of San Diego, who are already bailing out the City's \$1.2 billion underfunded pension system, need Mayor Jerry Sanders to reveal the current financial condition of the fund's investment portfolio. With the value of pension funds across the nation in free-fall, it is imperative that San Diegans know the extent of their liability.

"City taxpayers are responsible for every dollar of investment losses," said City Attorney Michael Aguirre. "In order to implement an honest plan to deal with the troubled pension fund we must first know the extent of the problem."

The chart below illustrates the massive asset loss incurred by the City's pension system through September 30, 2008. The important question is what is the fund's current asset value?:

San Diego City Employees' Retirement System Losses 2007- 2008

	Assets	Decrease
September 30, 2007	\$ 5,109,000,000	
December 31, 2007	\$ 5,050,000,000	\$ (59,000,000)
March 31, 2008	\$ 4,698,000,000	\$ (352,000,000)
June 30, 2008	\$ 4,660,000,000	\$ (38,000,000)
September 30, 2008	\$ 4,320,000,000	\$ (340,000,000)
October 24, 2008	Information Needed From Mayor	Information Needed From Mayor
Cummulative Loss is more than		\$ (789,000,000)

NOTE: Standard & Poors 500 has dropped 25% since September 30, 2008.
If the Pension System followed this trend, losses would be an additional \$1 billion.

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With the City seeking to re-enter the bond market in the near future, the size of the pension fund deficit must be made known to investors.

“Two years ago, the U.S. Securities and Exchange Commission nailed us for concealing the pension deficit from bond buyers. The last thing we want to do is send the message that it’s business as usual at City Hall,” said Aguirre.

This is the third time since September 16, 2008 that the City Attorney has asked Mayor Sanders and the San Diego City Employees’ Retirement System Board to publicly reveal the financial condition of the pension fund, due to the crisis on Wall Street.

To view documents, visit www.sandiegocityattorney.org, click Significant Reports and Legal Documents.

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